

Cyti01a Phase II UpdateFrom: Malcom An [Malcoma@lsbio.com]
Sent: Thursday, February 15, 2007 10:59 PM
To: george.karkanias@cytira.com
Cc: Toni Eden
Subject: RE: Cyti01a Phase II Update

Dear George,

I am writing to follow up on the Phase II challenges mentioned in my last communication. Before processing the mouse brains into formalin fixed, paraffin embedded blocks, we cut each brain specimen into three pieces, with the assumption that the middle button would include all the hypothalamic regions and subregions specified in the contract. The middle button was cut to depletion, and most of the regions have been identified. Unfortunately, we discovered that a few of the hypothalamic nuclei were located at the edge of the button. We went back and examined the adjacent tissue, but the missing regions were located precisely where we cut. We were unable to recover the missing regions.

We are proceeding with Phase II using the hypothalamic regions/subregions that have been identified. When the final results are complete, the report will not include all 20 regions specified in the contract (3-4 hypothalamic subregions will be missing from the report for each brain sample). We will adjust the final invoice to account for these changes.

There is an alternative. We still have 7 brain samples that have not been processed. Per your request, we could use these brain samples to identify the missing regions? It may be worthwhile to wait for the final results before making a decision. What are your thoughts?

Please let me know if you have any comments or questions.

Best regards,
Malcom
Lifespan Biosciences